

## WEEK IN WESTMINSTER

Week ending Friday 2 December

### Autumn Statement

The Chancellor of the Exchequer, George Osborne MP, has delivered his Autumn Statement to the House of Commons. Below are the key announcements from the statement that directly affect industry.

### R&D tax credits to go “above the line” in 2013

The Chancellor has responded to industry calls to reform the R&D tax credit system, stating: “We have listened to the ideas from business groups about encouraging innovation in larger companies, and we will introduce a new ‘above the line’ research and development tax credit in 2013 that will increase its visibility and generosity”. The reform will signal the UK’s international competitiveness, generate more investment in UK R&D, safeguard jobs and affirm the country’s status as a prime location to base high-skill operations. UK-based automotive companies already invest more than £1.5bn each year in R&D. This, coupled with a world-class skills base, has made the UK a leader in the development of low and ultra-low carbon technologies. Moving to an ‘above the line’ system will strengthen the link between R&D investment decisions and the credit, enhancing the UK’s international competitiveness and attracting a greater share of global investment. In addition the Chancellor announced that he would cut the planned 3p rise in fuel duty in January, re-affirmed government’s commitment to boosting skills, particularly those leading to engineering and science degrees through measures such as investment in new specialist maths schools for 16-18 year olds, and the previously announced £250 million pilot fund for vocational training. (Source: SMMT)

<http://www.smmt.co.uk/2011/11/autumn-statement-delivers-boost-to-uk-competitiveness/>

### £20 billion National Loan Guarantee scheme launched

Government has announced the introduction of the National Loan Guarantee Scheme, a £20 billion

scheme, (offset by taking a facility from the Asset Protection Scheme) to lower the cost of loans to small businesses. New loans and overdrafts to firms with a turnover of less than £50 million will be eligible for the scheme. To be developed with the Bank of England, it will be a mechanism to allocate funding to different banks based on how much they increase both net and gross lending to firms. Government says there will be a clear audit trail to ensure the banks comply, using the experience of the European Investment Bank’s Loans for SMEs programme to ensure it works. State aid approval is being sought so that the National Loan Guarantee Scheme will be up and running in the next few months. Initially £20 billion of these guarantees will be available over the next two years. (Source: HMTreasury)

[http://cdn.hm-treasury.gov.uk/autumn\\_statement.pdf](http://cdn.hm-treasury.gov.uk/autumn_statement.pdf)



### £1 billion Business Finance Partnership announced

Government has announced a £1 billion Business Finance Partnership, which will lend to mid-sized businesses and small and medium sized businesses in the UK through non-bank channels. Government is to invest in funds that lend directly to these businesses, in partnership with other investors such as pension funds and insurance companies. It will give these mid-cap companies a new source of investment outside the traditional banks. If the Business Finance Partnership takes off its scale may be increased. In addition the Enterprise Finance Guarantee Scheme will be further expanded to include businesses with annual turnovers of up to £44

million and will accredit new lenders such as Metro Bank. (Source: HMTreasury)  
[http://cdn.hm-treasury.gov.uk/autumn\\_statement.pdf](http://cdn.hm-treasury.gov.uk/autumn_statement.pdf)

## Government announces further support to green bus schemes

Government has announced that it is to extend the Green Bus Fund with the introduction of a third round of funding to allow more bus operators to invest in low carbon technology and support a UK-wide shift to low carbon transport. Transport Minister Norman Baker confirmed that a third round of the Fund would go ahead, pledging an additional £25 million to enable the uptake and operation of even cleaner buses across England. The Department for Transport is expected to release details of the bidding criteria in due course, outlining how bus operators and local councils can bid for grants to cover the up-front cost of buying low carbon buses and retrofitting buses with greener technology (Source: SMMT)

<https://www.smmt.co.uk/2011/12/government-announces-funding-for-third-round-of-the-green-bus-fund/>

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## Phase 2 of the Logistics Growth Review published

Government has published the Logistics Growth Review that sets out plans to improve efficiencies, remove barriers, develop skills and encourage growth in the logistics sector. The Society of Motor Manufacturers and Traders (SMMT) is part of a task force, formed as part of the review, which will spearhead the development of the sector, liaising with government, local authorities and industry to implement measures that support the use of low emission technologies. The review focuses on: Green growth – a Technology Strategy Board competition will provide funding to develop refuelling hubs and hundreds of low emission demonstrator vehicles; Continuing the process of deregulation – tackling trailer heights, lengths, driver hours and making allowances for the extra weight of low emission technologies; Developing skills – a central theme will be to establish a logistics guild; Refining local deliveries – particularly noise reduction; Lowering congestion – dealing with congestion hot-spots and ensuring fleets are well informed and

capable of operating throughout winter, and overcoming planning barriers. (Source: DFT)  
<http://assets.dft.gov.uk/publications/logistics-growth-review/logistics-growth-review.pdf>



## National Infrastructure Plan 2011 announced

Government has published the National Infrastructure Plan 2011 alongside the Autumn Statement. The Chief Secretary to the Treasury will chair a new cabinet committee on infrastructure, monitoring the implementation of the 40 projects and programmes most critical to growth. The National Infrastructure Plan 2011 states that in government's forthcoming Carbon Plan, actions to support the move to a low carbon economy including a wide range of measures being taken to reduce the carbon intensity of transport will be set out. The key actions on transport infrastructure include supporting the £30 million Plugged-in Places programme, as well as work on linkages on the take-up of electric vehicles, smart grid technology and the de-carbonisation of the electricity generation sector. The next edition of the Office of Low Emission Vehicles' (OLEV) Plug-in Vehicle Infrastructure strategy is due to be published in early 2013. OLEV will work with the Department for Environment, Food and Rural Affairs (Defra) and Department for Business, Innovation and Skills (BIS) to understand the likely demand for electric vehicles, and develop policies for recycling or reuse of batteries "well in time for when the first generation reach their end of life". OLEV is also working with DECC and Ofgem on understanding the demands on smart grid technology, and to anticipate the enhancement of distribution networks if demand for electricity increases significantly. (Source: HMTreasury)  
[http://cdn.hm-treasury.gov.uk/national\\_infrastructure\\_plan291111.pdf](http://cdn.hm-treasury.gov.uk/national_infrastructure_plan291111.pdf)

## Best Practice Principles for auto industry marketing relaunched

The Low Carbon Vehicle Partnership (LowCVP), the Society of Motor Manufacturers and Traders (SMMT), and ISBA (the voice of British advertisers) have launched revised Best Practice Principles for environmental claims in consumer marketing. The principles provide a framework and reference point for automotive companies and their marketing teams when developing environmental messages used in advertising and other promotional materials including news releases, reports and websites. Following changes to the digital media remit of the Advertising Standards Authority (ASA), and government's publication of the Green Claims Guidance earlier this year, the Best Practice Principles have been updated and enhanced to include advice relating to the use of social networking sites and new digital media platforms as well as clear definitions of appropriate use of vehicle comparisons within marketing campaigns. (Source: SMMT) <http://www.smmt.co.uk/2011/11/best-practice-principles-for-auto-industry-marketing-relaunched/>

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## Week ahead

### Commons Committees

Monday 5 December  
Treasury Committee (3:30pm, Thatcher room)  
Autumn Statement

Tuesday 6 December  
Treasury Committee (10:00am, Grimond room)  
Autumn Statement

Wednesday 7 December  
Science & Technology Committee (9:30am, Thatcher Room) - Follow up to engineering in government

Wednesday 7 December  
Treasury Committee (2:15pm, Wilson Room)  
Autumn Statement

### Commons Chamber

Tuesday 6 December  
Ten-minute-rule motion: Registration of Commercial Lobbying Interests Bill (John Cryer MP, Lab, Leyton and Wanstead)

### Westminster Hall

Tuesday 29 November  
Investment in public transport in London (2:30 – 4:00)

### Lords Chamber

Monday 5 December  
Grand Committee -  
Consideration of the draft Renewable Transport Fuel Obligations (Amendment) Order 2011 (3:30pm)

Thursday 8 December  
Debate to take note of the development and retention of manufacturing industry in the United Kingdom (Lord Haskel) (Balloted debate, 2.5 hours)

### Lords & Joint Committees

Thursday 8 December  
Economic Affairs Committee (10.35am)  
The economic outlook